

CORRECTED FISCAL NOTE

SB 1007 - HB 1088

May 18, 2005

SUMMARY OF BILL: Exempts nursing homes from receiving a certificate of need for beds that will be moved from a currently licensed facility to a partial replacement nursing home facility on a different site when meeting the requirements in the bill.

ESTIMATED FISCAL IMPACT:

On April 11, 2005 we issued a fiscal not which indicated *a not significant increase in state expenditures, a not significant increase in state revenues and an other fiscal impact of an increase in expenditures of \$1,000,000 (\$360,000 in state funds and \$640,000 in federal funds)*. Based on additional information, the estimated fiscal impact of this bill is:

(CORRECTED)

Increase State Expenditures – Not Significant

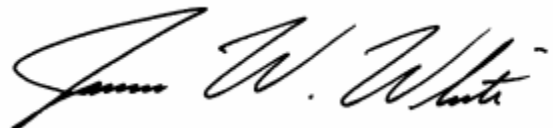
Increase State Revenues – Not Significant

Assumptions:

- Due to limitations in the qualifying Certificate of Need issuance date, the requirements of this bill will only apply to the Asbury Center in Johnson City.
- The partial replacement nursing home will be licensed to the same owner.
- Nursing home beds are reimbursed at actual costs up to a maximum equal to the cost of the nursing home at the 65th percentile level as calculated by the Comptroller per existing TennCare rules.
- The Asbury Center is currently ranked above the 65th percentile. Any increase in costs is above the 65th percentile point and will not result in a change in the amount of reimbursement.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director